

News Release

U.S. Department of Justice

*United States Attorney
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Gregory A. White, United States Attorney for the Northern District of Ohio, announced today that Paul M. Misch was sentenced to 14 months imprisonment for making and subscribing false income tax returns for the years 2000 through 2002. According to court records, Misch resides at 11991 Orville Street, N.W., Massillon, Ohio. The sentence was imposed by United States District Judge Christopher A. Boyko in Cleveland.

On February 20, 2007, Misch pleaded guilty to a one-count information charging him with filing the three false personal income tax returns pursuant to a written plea agreement in which he acknowledged the following facts. During the years 2000 through 2002, while a resident of Wadsworth, Ohio, Misch had self-employment income from various sources, principally including fees for personal services as a consultant. He falsified his federal income tax returns for those years, which he filed using a married filing separate status, by failing to report approximately \$192,887 of his gross receipts from self-employment and by failing to report approximately \$3,500 of rental receipts for the year 2000, as follows:

Year	Date Filed	Type of Gross Receipts	Reported	Actual
2000	08/17/2001	Self-employment	\$9,614	\$44,100
		Rental	\$0	\$3,500
2001	08/17/2002	Self-employment	\$31,606	\$48,800
2002	08/28/2003	Self-employment	\$19,250	\$160,457

Misch did not maintain any checking accounts in his name during the prosecution years. He deposited all checks from his business activities, which constituted income to him, into the bank accounts of various corporations he controlled – Strategic Development & Funding,

Inc.; TMC Services, Inc.; and Walnut Grove Farm, Inc. – or, on a few occasions in 2002, into his wife’s checking account. The checks deposited into his wife’s account were reported as income on his wife’s 2002 income tax return, which was also filed using married filing separate status.

For the years 1999 through 2002, Misch did not file or cause federal income tax returns to be filed for Strategic Development & Funding, Inc.; TMC Services, Inc.; or Walnut Grove Farm, Inc. Accordingly, material amounts of income earned by Misch that were deposited into bank accounts in the names of those corporations were not reported to the IRS on any income tax returns.

Misch acknowledged unreported taxes, computed for purposes of the criminal case only, of \$40,070 for the three years (including a small credit for 1999) and paid that amount to the IRS as restitution before sentencing. Under existing tax law, a person convicted of a criminal tax offense, in addition to whatever sentence is imposed, is also required to pay the tax determined to be due (including possible civil tax assessments in addition to the amount determined in the criminal case), as well as interest and civil penalties that may be assessed.

The government’s case was prosecuted by Assistant United States Attorney John M. Siegel following an investigation by the Internal Revenue Service - Criminal Investigation Division, Akron, Ohio.

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